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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF WYOMING**

<b>In Re:</b>	)	<b>Chapter 11</b>
	)	<b>Case No. 16-20326</b>
<b>POWELL VALLEY HEALTH CARE, INC.,</b>	)	
	)	
<b>Debtor-in-possession.</b>	)	

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OBJECTION AND  
RESERVATION OF RIGHTS REGARDING DEBTOR'S MOTION TO ENFORCE  
SCOPE OF THE AUTOMATIC STAY, OR IN THE ALTERNATIVE, MOTION TO  
EXTEND AUTOMATIC STAY AND NOTICE OF OPPORTUNITY TO OBJECT**

The Official Committee of Unsecured Creditors (the "Committee"), for its Objection and Reservation of Rights Regarding the Debtor Powell Valley Health Care, Inc.'s ("Debtor"), Motion to Enforce Scope of the Automatic Stay, or in the Alternative, Motion to Extend Automatic Stay and Notice of Opportunity to Object (the "Motion") [Doc. 60], states as follows:

1. Debtor filed its Motion asking this Court to enforce the automatic stay against non-debtors in 20 civil lawsuits pending against Debtor and non-Debtor co-defendants, each of which arises out of the alleged malpractice of Dr. Hansen, who was employed by Debtor (collectively, the "Lawsuits"). In the alternative, Debtor asks the Court to extend the automatic stay against Debtor and non-Debtor co-defendants in the Lawsuits (the "Stay").
2. Debtor has effectively asked this Court to issue a preliminary injunction staying all of the Lawsuits pending resolution of this bankruptcy case. Debtor made its request through its Motion, rather than through an adversary proceeding.

3. The United States Trustee appointed the Committee on June 21, 2016. Undersigned counsel entered her appearance as proposed counsel for the Committee on June 30, 2016.

4. The tort claimants are the fulcrum creditors in this case. While the Debtor's described mission in its pleadings is a good one, Chapter 11 involves a new mission—to pay its creditors in a fair and equitable process.

5. The Committee has just only been appointed and requires a short window to get up to speed on this case. Notwithstanding the same, the Committee generally agrees with the Debtor that an organized, methodical and global process is better for all parties including the tort claimants, and the Committee stands ready to work with the Debtor to establish such a process.

6. The Committee points out that certain of the joinder parties (HealthTech and Patten) are alleged to be the very entities that engaged Dr. Hansen and then, among other things, failed to supervise him or timely take any action with respect to his malpractice—so their status as “creditors” entitled to a substantial say in the matter is dubious at best.

7. As to the District, there should likewise be no misunderstanding that the Debtor is merely an instrumentality of the District—created by it—under Wyoming law and so its status as a “creditor” entitled to indemnification and substantial protections is likewise dubious (and, for the record, the Committee objects to any stay at this time being applied to the District as suggested in the District's Joinder, and the Committee's position will be that the District must be included as a party in any global liability resolution process).

8. The Committee has agreed with the Debtor, however, subject to a reservation of all rights, to an extension of the current hearing date on this Motion, to give the Committee and its counsel sufficient time to investigate this matter and discuss these issues with Debtor and

other responsible parties, such as the District, HealthTech and Patten, and believes that such extension is in the best interest of all parties, including its creditor constituency.<sup>1</sup>

9. The Committee reserves all rights to object to any Stay once it has had an opportunity to investigate this matter, including, but not limited to, the current request which has no temporal limitation and is not a part of a larger global resolution process. The Committee specifically reserves its right to object to the fact that Debtor's request was made by its Motion rather than through an adversary proceeding.

WHEREFORE, the Committee objects and reserves its rights to further object to the Motion, but, as heretofore stated, agrees to an extension of time for said Motion to be heard, and for other and further relief as appropriate.

Respectfully submitted,

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/s/ Jamie N. Cotter

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<sup>1</sup> The Committee confirms it was provided a draft Estimation Motion on June 28, 2016, and is currently reviewing it with its creditor constituency. However, such a motion is likely the focal point of any plan process, has a high level of complexity and will require substantial discussion, analysis and negotiation with the Debtor and other parties.

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 30th day of June, 2016, the above and foregoing was served via electronic filing to all parties requesting/receiving electronic notice in this case and via U.S. Mail postage pre-paid upon the attached service list.

/s/ Jamie N. Cotter

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